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Paraguay

The people vs neo-liberalism

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Description:

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Following three weeks of mobilizations against the neo-liberal politics of the faltering government of González Macchi, thousands of Paraguayan peasants arrived in the country's capital, Asunción in early June to await the decision of the Senate on the cancellation of law 1615 on privatisation.



Mass rally against the regime

For ten days there had been blockades of the main roads of the country, culminating with a partial agreement with the government that conceded five of the six points raised by the Congreso Democrático del Pueblo [Democratic Congress of the People - CDP], but left unsettled the derogation of the law on privatisation, as well as the freedom of a hundred demonstrators who had been detained in San Patricio, in the department of Misiones, 230 kilometres from the capital.

This is the biggest mobilization by the popular movement since the period of transition [from the dictatorship of Alfredo Stroessner which had ruled the country for several decades - ed.] initiated in 1989. The deep economic and political crisis that the country has experienced, combined with the government's unpopularity due to its corruption and incompetence led to this outburst of popular protest, headed by the organized peasant's movement.

It was an explosion that could be seen coming months ago because of the acute crisis in which the state entered because of a lack of resources to meet its expenditure and the serious consequences of the Argentine crisis (Argentina has reduced its trade with Paraguay by 80 percent while Paraguay's exports have fallen by 50 percent), in addition to the strong impact on the local economy of increases in the exchange rate of the US dollar (1 dollar = 05400 guaraníes) and the price of fuel.

The CDP is made up of the two most important blocs of the popular organizations which have arisen after the crisis and quasi-disappearance of the trade union federations, destroyed by corruption and bureaucratism: the Plenaria Popular, which originated out of the kidnapping by para-police groups of two activists from the Movimiento Patria Libre (MPL), Juan Arróm and Anuncio Martí, and the Front against the Alienation of Public Property [Frente contra la Enajenación de los Bienes Públicos], which began as a struggle against the 'reform' of the public bank.

These two organizations include in their ranks the two main peasant organizations in the country, the National Coordinating Board of Peasant Organizations [La Mesa Coordinadora Nacional de Organizaciones Campesinas (MCNOC)] and the National Peasant Federation [Federación Nacional Campesina (FNC)].

The initial axes of unity and struggle were rejection of the government's antiterrorist law, the proposed reform of the

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public bank, the privatisation of the roads, the application of VAT on fishing, the derogation of the law on privatisation and the fight against corruption and impunity

The government representatives at the negotiations table indicated they would accept all the points, except for the one on privatisation - the process of selling off of the national telephone company Copaco was to begin on June 14, to be followed by the anticipated privatisation of the health services company, Essap.

When reaching this first agreement, the CDP decided to lift the road blockades but to maintain the state of mobilization until the Senate approved the derogation of law 1615.

However, the sell off of public property has already advanced deeply in the economic structure of the country. In recent years the air company LAPSA, the iron and steel company Acepar, the alcohol company APAL, the merchant fleet of the Estado Flomerpasa have been sold and, copying the Argentine example, after the telephone company the privatisation of the health service, drinkable water, electricity, social insurance, mail and customs and roads is planned. A complete package to satisfy trans-national capital, the IMF and its corrupt local operators. The process of privatisation has been characterized by an absolute lack of clarity and corruption.

The crisis of the dominant block seemed insoluble; the deepening of the economic deterioration to a level never seen before (unemployment and underemployment is around 34 percent, 25 percent of the peasant population is in extreme poverty), the pressure of the United States and the IMF for the application of adjustment plans and privatisations, the absolute incapacity and immorality of the government of González Macchi and the consequences of the Argentina crisis made an explosion in Paraguay almost inevitable.

In April of this year Convergencia Popular Socialista (CPS), a component of the Plenaria Popular, said the following in an analysis of the national situation: 'After the heroic days of struggle of the Paraguayan March (1999) there were mobilizations in the following years that, nevertheless, did not reach the same level. The Arrom-Martí case woke up a spontaneous movement that was translated into Plenaria Popular. Nonetheless since then it has not been possible to articulate a unitary and massive mobilization of popular, democratic and left organizations to repudiate the government and neo-liberalism.

'In this same period, however, peasant mobilizations scored important successes because they for the first time managed to deal with representatives of the government at a negotiations table to discuss concrete projects for the countryside. However - like the mobilizations of unions, workers in health and education, and the homeless - they were notable to rally other sectors of the population around unifying slogans. There is still a lack of a national campaign against the alienation of public property, the foreign debt, the wastefulness, corruption and incapacity of the state organisms, economic decay, the lack of health and education, the indigenous problem, the violation of human rights and so on. The national situation has still not touched bottom point because it can - dramatically - get worse".

The mobilization managed to overcome a first important obstacle in obtaining the unity of the popular camp and the left, in a combination of democratic popular struggle and spontaneous self-organization of the masses that is going to extend. The fight as it extends, is deepened. A national strike with the participation of the organizations that are not part of the CDP is now being prepared.

In these circumstances sectors of the dominant bloc are openly discussing the possibility of bringing about a change of government (which logically excludes the CDP), for which they are looking to the support of the military who are ready to come to the aid of the police in case the protest demonstrations 'overspill'. In these circumstances, the CDP is forced to deepen its plan of struggle and its internal political agreements.

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For the future, anything can be still predicted. The combativity and the example of struggle of the popular movement are unquestionable. After the first agreement obtained with the government some groups of piqueteros refused to lift the road blockades and they only did so with the commitment to continue fighting until the sale of the Copaco company had been halted.

Everything seems to indicate that a final battle will occur, between a broad conglomerate of popular democratic and left organizations and a debilitated government and disarticulated dominant bloc. The latter's political parties are searching for a way out, with some difficulty given that their representatives - as always - look to the US embassy for advice on seeking a very, very problematic consensus. The rebellion in Argentina and the possible victory of Lula in Brazil will wake up many people, while the failure of Mercosur and the attacks embodied in the FTAA and Plan Colombia will open the doors to a prolonged struggle of the popular camp.